

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)	CASE NO.
FILING OF PUBLIC GAS COMPANY)	2017-00400

ORDER

On March 27, 2013, in Case No. 2012-00431,¹ the Commission approved rates for Public Gas Company ("Public") and provided for their further adjustment in accordance with Public's Gas Cost Adjustment ("GCA") clause. On November 24, 2015, in Case No. 2015-00299,² the Commission entered an Order approving the transfer of Public's assets to Kentucky Frontier Gas, LLC.

On September 29, 2017, Public filed its proposed Gas Cost Recovery ("GCR") rate application to be effective November 1, 2017.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Public's notice includes a revised rate designed to pass on to its customers its expected change in gas costs.
2. Public's notice sets out an Expected Gas Cost ("EGC") of \$7.1601 per Mcf, which is an increase of \$1.5496 per Mcf from the previous EGC of \$5.6105 per Mcf.

¹ Case No. 2012-00431, *Application of Public Gas Company for Rate Adjustment for Small Utilities Pursuant to 807 KAR 5:076* (Ky. PSC Mar. 27, 2013).

² Case No. 2015-00299, *Joint Application of Kentucky Frontier Gas, LLC and Public Gas Company for Approval of Transfer and Acquisition of Assets and Financing* (Ky. PSC Nov. 24, 2015).

3. Public's notice sets out no Refund Adjustment.

4. Public's notice sets out a current quarter Actual Cost Adjustment ("ACA") of \$.0820 per Mcf. Public's ACA calculation used the EGC it had proposed for May, June, and July 2017 instead of the EGC approved by the Commission. Correcting the "EGC in effect for month" as well as a rounding error in the calculation of the "Unit Cost of Gas" produces a current ACA of \$.0700 per Mcf. Public's total ACA is (\$.5072) per Mcf, which is an increase of \$.0630 per Mcf from the previous total ACA of (\$.5702) per Mcf.

5. Public's corrected GCR rate is \$6.6529 per Mcf, which is an increase of \$1.6126 per Mcf from the previous GCR rate of \$5.0403 per Mcf.

6. The revised rate as set forth in the Appendix to this Order is fair, just, and reasonable and should be approved for service rendered by Public on and after November 1, 2017.

IT IS THEREFORE ORDERED that:

1. The rate proposed by Public is denied.

2. The rate set forth in the Appendix to this Order is approved for service rendered on November 1, 2017.

3. Within 20 days of the date of this Order, Public shall file with this Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets setting out the rates approved herein and reflecting that they were approved pursuant to this Order.

By the Commission

ENTERED
OCT 24 2017
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2017-00400 DATED **OCT 24 2017**

The following rates and charges are prescribed for the customers served by Public Gas Company. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
Customer Charge	\$10.00		\$10.00
All Ccf	\$.30914	\$.66529	\$.97443

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